responsibility for all medical care associated with Farrower's breeding stock and weaner pigs.

3. **Process for Transfer of Weaner Pigs.** Farrower shall monitor farrowing rates, pig growth and weaner pig development and shall keep Cargill and Finishers informed as to projected shipments of weaner pigs. On a weekly basis, Farrower will ship all qualified weaned pigs to Finishers, with the receiving Finishers rotated on a weekly basis. Farrower will work with Finishers to coordinate shipment and delivery of weaner pigs, so that Finishers receive regular shipments of weaner pigs, and so that Finisher's Facilities are filled in a timely manner. On the Wednesday prior to the week of delivery, Farrower shall contact Finisher and Cargill and advise them of the number of weaner pigs to be delivered in the upcoming week. Farrower shall count all qualified weaner pigs transferred, weigh any suspect pigs, sort them, load them, note any blemishes or inadequacies, and arrange for and pay for shipment to Finisher. Farrower shall retain ownership of all weaner pigs while in transit, and Farrower shall assume all risk of loss until they are delivered to Finisher. Farrower shall receive no payment for any weaner pigs that die or disappear in transit. Target shipment weight for each shipment of weaner pigs shall be an average of 10 pounds each.

4. **Price and Terms for Weaner Pigs.** Subject to the floor and ceiling set forth in Section 6 of this Agreement, and subject to adjustments and modifications as set forth in Sections 5 and 7 of this Agreement, the sale price for all weaner pigs sold hereunder shall be determined based on the Cargill Pig.Net Pricing Matrix ("The Pig.Net Base Matrix") attached hereto as Exhibit B. The Pig.Net Base Matrix is a formula for determining the price of weaner pigs, based on the projected initial size of the pigs, the projected future market price for the pig (including projected premiums), the projected number of days on feed, the projected average size of market hogs, the projected amount and price for feed, medication and freight, the projected death/cull rate, interest, and other costs incurred in raising and marketing pigs. In computing the projected feed cost, the Pig.Net Base Matrix gathers, each week, a 26 week weighted average corn price, collected from key points in Iowa (currently, Cherokee, Atlantic, Rowan, Greeley, West Branch, and subject to change at Cargill's discretion) and then averaged. In computing the projected feed cost, the Pig.Net Base Matrix gathers, each week, a 26 week weighted average soybean meal price, collected from key points in Iowa (currently, Cedar Rapids, DesMoines and Iowa Falls, and subject to change at Cargill's discretion) and then averaged. Soybean meal will have a $10.00 per ton freight charge (or other amount as determined by Cargill from time to time) added to the weighted average price. In computing the predicted future value of the weaner pig, as a market hog, The Pig.Net Base Matrix utilizes a forward contract price, which equals the lean hog futures price for finished hogs on the Chicago Mercantile Exchange, for the time period that Finisher is projected to deliver finished hogs, plus or minus the Predicted Basis. The "Predicted Basis" shall mean the amount periodically published by Excel Corporation as the basis for all Pig.Net weaner pigs delivered during any particular week. Cargill shall calculate The Pig.Net Base Matrix price weekly.